GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:160
ANSWERED ON:02.02.2017
Irregularities in Procurement of Software for Air India
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Central Vigilance Commission (CVC) has found serious procedural and other irregularities in the purchase of Enterprise Resource Planning (ERP) software worth Rs.225 crores for the national carrier, Air India (AI) in 2011, if so, the details thereof;

(b) whether the CVC has referred the matter to be enquired into by the Central Bureau of Investigation (CBI) to ascertain the culpability of certain unnamed AI officials as well as the software vendors, if so, the details thereof; and

(c) whether the CBI has registered a criminal case in this regard, if so, the details thereof and the reaction of the Government thereto?

Answer

Minister of CIVIL AVIATION
Shri Jayant Sinha

(a) Yes Madam. Central Vigilance Commission (CVC) in the matter of procurement of ERP software for Air India from German Software Company SAP has pointed out that there were no proper deliberations for identification of the need for SAP-ERP. ;

(b)Yes Madam. CVC under section 8 of the CVC Act, 2003 has directed CBI to register a case and investigate the matter relating to irregularities in procurement of the Software System and in particular to look into the following issues:-;

(i) The irregularities in the tendering process and award of contract.;

(ii) To find out as to whether any undue benefit has been caused to the SAP/IBM.;

(iii) whether any of the persons who dealt with the issue in IBM, QI etc. got any financial or other benefit, and ;

(iv) What were the irregularities/lapses relating to the registration by the DGS&D and subsequent withdrawal of such registration and whether it has anything to it with the award of contract by Air India.;;

(c) Yes Madam. CBI has registered a Case No. RC 221/2017/E0002/EOU-VIIEO-III dated 12.01.2017 U/s 120-B r/w 420 of IPC and Sec. 13(2) r/w 13(1)(d) of PC Act 1988, against unknown officials of Air India, German Software company & another company of USA and other unknown persons.